

ARTICLE 14. UNDERWRITTEN TITLE COMPANIES

Section 2194.70. Underwritten Title Company Limitation on Liability

No contract between a title insurer and an underwritten title company shall provide for indemnity of the title insurer by the underwritten title company in excess of five thousand dollars (\$5,000) of loss per policy, except for losses that are caused by willful or intentional acts of the underwritten title company or its employees, which losses may be indemnified by contract in excess of five thousand dollars (\$5,000) per policy. For purposes of this section, the term "loss" shall include title losses and any other business of title insurance losses caused by the underwritten title company's operations but shall not include escrow losses and the term "contract" shall include "underwriting agreement."

Note: Reference: Insurance Code sections 533, 700, 717, 720, 12389, 12389.1, 12389.2, 12389.5, 12389.6 and 12921. Authority cited: Sections 720, 12389, and 12921 Insurance Code. *CalFarm Ins. Co. v. Deukmejian*, 48 Cal.3d 805 (1989), *20th Century Ins. Co. v. Garamendi*, 8 Cal. 4th 216 (1994), *McHugh v. Santa Monica Rent Control Board*, 49 Cal.3d 348 (1989) and *George v. Department of Alcoholic Beverage Control*, 149 Cal.App.2d 702 (1957).